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Foreign Crops and MARKETS



VOLUME 58

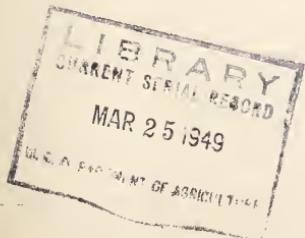
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L A T E N E W S

Reports from Tientsin indicate that 6 of the 7 former China Textile Industries, Inc. (Government owned) cotton mills located there have resumed operations. The seventh mill was reported damaged beyond repair. These 7 mills had 332,800 spindles and of February 5, 210,000 spindles were reported in operation, producing 95,000 pounds of yarn per 10-hour day. No word has been received on the fate of the 4 privately owned mills with 99,000 spindles located in Tientsin.

Commodity prices were reported generally stable, with market rises appearing only in cloth, flour, and cigarettes. The rise in price of cigarettes was due chiefly to the tenfold increase in taxes.

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Citrus crops in Algeria suffered light damage by cold weather in the first week of February. The summer lemon crop near Blida, Boufarik and Arba was reported almost a complete loss. Some mature lemons also suffered frost damage. Damage to oranges was slight and varied greatly among groves.

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(Continued on Page 196)

FOREIGN CROPS AND MARKETS

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COMMODITY DEVELOPMENTS

GRAINS, GRAIN PRODUCTS AND FEEDSSOUTH KOREA RICE CROP LARGE;
REQUIREMENTS ABOVE PREWAR 1/

South Korea's 1948 rice crop is estimated at 146 million bushels of rough rice, a gain of 11 percent over the preceding year, and 12 percent more than 1940-44 average production, according to a report from Seoul. Growing conditions were exceptionally favorable, and more fertilizers were available for use than in the year before.

South Korean food requirements have risen perceptibly in postwar years due primarily to a gain in the population. Total cereal imports in 1948 came to 750 million pounds, of which slightly more than 170 million pounds was rice. The population has increased about 25 percent since 1944 as a result of both a natural increase and considerable immigration from North Korea. Although exceptionally good crop yields were produced in 1948, the importation of these cereals was necessary in order to maintain rationing to the urban population.

SOUTH KOREA: Rice production and trade, 1948
with comparisons

Year	Acreage		Yield per acre	Production			Exports in terms of milled	Imports in Million pounds
	planted	acres		Rough	In terms	Exports		
				bushels	bushels	pounds		
Korea:				1,000	1,000	Million	Million	Million
1930-34....	4,112	49.2		202,202	6,369	a/ 2,502	a/ 64	
1935-39....	3,838	52.4		200,966	6,330	a/ 2,627	a/ 65	
South Korea: 1946.....	2,712	42.3		114,792	3,616	0	0	0
1947.....	2,753	47.9		131,983	4,157	0	0	b/
1948.....	2,748	53.4		146,799	4,624	0	0	171

a/ Brown rice. b/ Less than 500,000 pounds.

Compiled from official statistics.

Rice stocks of the South Korean Government on January 31 were estimated at about a 90-day supply. Private owners held some stocks, though they perhaps were insufficient for all needs before the 1949 harvest.

1/ Based on a report from Paul J. Sturm, U. S. Foreign Service officer, Seoul.

The current official retail price of rice since December 1, 1948, is 300 won per small mal of 16.5 pounds, or \$2.27 per 100 pounds. The black market price in 1947 averaged about 550 won (\$4.16 per 100 pounds), and was about 700 won (\$5.30 per 100 pounds) in January 1948. By July, the wholesale price was 1,000 won (\$7.58 per 100 pounds) and it reached a peak in August, immediately before the harvest, when it rose to 1,240 won (\$9.39 per 100 pounds) in Seoul. Thereafter the price dropped gradually through the remainder of the year. Since early December the price has been relatively steady at about 750 won (\$5.68 per 100 pounds), indicating that relatively ample supplies of grain are available through black market channels. A generally applicable exchange rate for the Korean won is not available. (In this article, the rate of 800 won to the dollar, is used. This is the rate at which remittances through the Korean Foreign Exchange Bank are selling.)

EGYPT REDUCES RICE PRICES

The Egyptian Government about February 15 announced a reduction in the export prices of rice. The latest quotations per 100 pounds against payment in dollars, Swiss or Belgian francs, f.o.b. Alexandria, including customs duties, municipal taxes and export permit, by grades are as follows: Cargo, \$6.83, Mamsouh, \$7.56, Natural, \$8.03, and Glazed \$8.21. Prices of export rice previously sold f.o.b. Alexandria on the average at approximately \$9.37 per 100 pounds.

Export supplies on hand are the largest yet produced in that country. The total surplus from the 1948 crop is unofficially estimated at 880 million pounds, or around 100 million more than last year's record exports.

Egypt's largest rice production of 1948 amounted to 64,074,000 bushels compared with 62,533,000 bushels in the year before and with the prewar (1935-39) average of 33,155,000 bushels, according to final official estimates. The largest acreage yet harvested reached 816,000 acres in 1948 against 805,000 the preceding year.

FATS AND OILS

ICELAND 1948 HERRING OIL PRODUCTION BELOW EXPECTATIONS 1/

Iceland's 1948 herring-oil production of 19,237 short tons was approximately half the 1947 output. A production rise had been expected as equipment had been much improved, but the herring catch during the summer of 1948 and the winter catch of 1948-49 were both small. Exports, however, were greater in 1948 than in 1947, due mainly to the very large winter herring run in 1947. The 1948-49 winter herring season was

1/ Based in part on a report by William S. Krason, U.S. Assistant Commercial Attaché, Reykjavik.

was considered almost a failure with only 3,300 tons of oil produced. Cod liver oil production in 1948 was up by 23 percent over 1947 and exports also increased. Production of whale oil was resumed in 1948 for the first time since 1939 with an output of 1,653 tons of which half was exported.

**ICELAND: Fish and whale oil production, 1948
with comparisons**

Year	Cod liver oil	Herring oil 1/	Whale oil
	Short tons	Short tons	Short tons
Average			
1939-43.....	5,849	25,793	2/ 737
Annual			
1944.....	8,818	37,258	-
1945.....	7,165	7,606	-
1946.....	6,771	19,419	-
1947.....	8,122	35,054	-
1948.....	10,029	19,237	1,653

1/ The herring oil production is estimated from the size of the herring catch. Actual herring oil output in Iceland is affected also by the fat content of the herring, which differs considerably for different catches. The herring year includes summer and winter catches. The winter catch may extend through March of the following year.

2/ 1939 only; no production in other years.

American Legation, Reykjavik.

In 1948, there were approximately 20 herring factories ready for operation with a total working capacity of approximately 9,000 tons of oil per 24 hours. Seven of the factories are owned by the Icelandic Government and are capable of processing about 45 percent of the total annual output. The herring factories, particularly those constructed in recent years are equipped with up-to-date machinery. In addition to the factories, a floating herring liquefaction plant has been purchased and will be used wherever the herring may run.

The total production of cod liver oil in 1948 amounted to 10,029 tons and the 1949 production is forecast at 12,000 tons. Before World War II, the production of cod liver oil averaged 5,850 tons annually. Cod and fish related to the cod family are caught by ocean-going trawlers and by the motorboat fleet of which there are over 600 vessels between 35-60 tons and mainly engaged in offshore fishing.

**ICELAND: Fish and whale oil exports, 1948
with comparisons**

Year	Cod liver oil	Herring oil	Whale oil
	Short tons	Short tons	Short tons
Average			
1939-43.....	6,323	27,353	1/ 745
Annual			
1944.....	6,919	29,129	-
1945.....	9,232	15,309	-
1946.....	8,528	19,328	-
1947.....	5,960	22,627	-
1948.....	8,857	31,234	852

1/ 1939 only; no exports in other years.

American Legation, Reykjavik.

**ICELAND: Fish and whale oil exports for 1948
by country of destination**

Country of destination	Cod liver oil	Herring oil	Whale oil
	Short tons	Short tons	Short tons
United States.....	3,286.8	-	-
Denmark.....	633.5	1,214.7	253.5
France.....	329.5	1,301.7	-
Netherlands.....	997.0	3,740.3	598.5
Norway.....	220.8	-	-
Palestine.....	254.6	-	-
Poland.....	233.0	-	-
U.S.S.R.....	831.4	1,123.5	-
Czechoslovakia.....	209.5	1,759.8	-
Trieste.....	253.6	-	-
Germany.....	727.4	9,214.2	-
Great Britain.....	-	12,880.0	-
Other.....	879.9	-	-
Total.....	8,857.0	31,234.2	852.0

American Legation, Reykjavik.

The ocean-going trawler catches an average of 250 to 350 tons of fish which produce from 10 to 20 tons of cod liver oil each 12 to 14 day trip. On board the trawlers, 40 to 50 tons of oil are extracted from 100 tons of liver and this is delivered to the cod liver oil factories of which there are four in Iceland. The cod liver oil is

refined in the factory, the stearin is removed, (destearination) producing the so-called medicinal cod liver oil. Some of the unprocessed cod liver oil is used for veterinary purposes, such as poultry and livestock feed.

The price of cod liver oil varies with the vitamin content. Medicinal cod liver oil averages about \$680 f.o.b. per metric ton, and veterinary cod liver oil (stearin not extracted) \$620. The greater part, 3,287 tons, of the medicinal cod liver oil in 1948 was exported to the United States. In 1946, imports to the United States were almost double that amount or 6,545 tons.

The 1948 whaling season which started May 1, 1948, and terminated October 15 accounted for a total catch of 249 whales and produced 1,653 tons of whale oil which the Icelandic Government purchased at 110 pounds sterling per metric ton (\$400 per short ton). Most of the whales caught were found near the continental shelf of Iceland and were fin whales which furnished from 6 to 9 short tons of oil each. In 1949, the whaling season will begin on April 15 and terminate on October 15, as regulated by international law. It is anticipated that the 1949 production will amount to 3,300 tons of oil.

ARGENTINE LARD EXPORTS

The following table shows Argentine lard exports for December 1948 with comparisons:

ARGENTINA: Lard exports, December 1948 with comparisons
(Gross weight)

Country of destination	Average	1947	1948 a/	December
	1935-39			1948 a/
	Short	Short	Short	Short
	tons	tons	tons	tons
North America:				
Cuba.....	-	-	802	-
Netherlands West Indies.....	-	583	1	-
Others.....	-	141	10	-
Total.....	-	724	813	-
South America.....	685	3,349	2,725	1,167
Europe:				
Finland.....	-	-	583	40
Hungary.....	-	2,389	446	-
Italy.....	127	4,234	817	-
Poland.....	-	-	1,422	-
United Kingdom.....	6,673	3,755	13,207	67
Others.....	919	585	184	14
Total.....	7,719	10,963	16,659	121
Others.....	163	157	27	-
Grand total.....	8,567	15,193	20,224	1,288

a/ Preliminary.

Compiled from official sources and consular reports.

**ARGENTINE TALLOW AND
CATTLE-FAT EXPORTS**

The following table shows Argentine tallow and cattle-fat exports for December 1948 with comparisons:

**ARGENTINA: Tallow and cattle-fat exports,
December 1948 with comparisons
(Gross weight)**

Country of destination	Average	1947	1948 a/	December
	1935-39			1948 a/
	Short	Short	Short	Short
	tons	tons	tons	tons
North America:				
Canada.....	7	-	6,380	-
Cuba.....	377	15	1,984	-
Mexico.....	11	659	-	-
Others.....	9,935	799	566	-
Total.....	10,330	1,473	8,930	-
South America.....	1,914	4,807	4,996	104
Europe:				
Belgium.....	2,974	1,596	469	-
Czechoslovakia.....	1,347	611	608	488
Finland.....	56	654	1,925	441
France.....	937	1,238	3,886	-
Italy.....	2,082	3,481	13	-
Netherlands.....	7,875	2,988	553	-
Spain.....	1,296	8,106	173	-
Sweden.....	1,695	2,513	-	-
Switzerland.....	1,133	1,202	481	-
United Kingdom.....	17,903	19,374	36,913	2,492
Others.....	15,364	1,533	1,650	-
Total.....	52,662	43,296	46,671	3,421
Japan.....	21	-	6,890	-
Soviet Union.....	-	4,508	-	-
Others.....	313	661	646	-
Grand total....	65,240	54,745	68,133	3,525

a/ Preliminary.

Compiled from official sources and consular reports.

**UNITED KINGDOM FATS
AND OILS IMPORTS**

The following table shows imports of specified fats and oils from the United Kingdom, 1948 with comparisons:

**UNITED KINGDOM: Imports of specified fats and oils,
1948 with comparisons**

Commodity	:	1938	:	1947 a/	:	1948 a/
	:	1,000	:	1,000	:	1,000
	:	pounds	:	pounds	:	pounds
Margarine.....	:	12,196	:	85	:	613
Butter b/.....	:	1,066,006	:	484,367	:	610,717
Lard.....	:	161,383	:	34,515	:	22,471
Tallow:	:		:		:	
Unrefined.....	:	54,499	:	51,265	:	64,389
Refined.....	:	46,789	:	45,888	:	76,450
Other animal oils, including fish oils, réfiné c/.....	:	66,570	:	5,931	:	6,717
Olive oil:	:		:		:	
Unrefined.....	:	10,667	:	56	:	-
Refined.....	:	9,851	:	2,203	:	11,762
Other refined vegetable fats and oils.....	:	22,098	:	1,733	:	1,711
Castor-beans.....	:	71,221	:	91,806	:	52,456
Cottonseed.....	:	1,390,010	:	78,075	:	153,913
Flaxseed.....	:	619,042	:	89,979	:	42,956
Rapeseed.....	:	47,374	:	892	:	-
Soybeans.....	:	220,770	:	58,101	:	22,817
Other seeds for expressing oil.....	:	2,690	:	6,324	:	36,223
Copra.....	:	254,625	:	285,716	:	225,239
Peanuts:	:		:		:	
In the shell.....	:	18,285	:	110,703	:	157,300
Shelled.....	:	712,826	:	558,564	:	701,707
Palm kernels.....	:	299,022	:	813,026	:	849,639
Other nuts and kernels for expressing oil...	:	14,161	:	43,429	:	18,928
Whale oil, unrefined.....	:	505,543	:	326,110	:	274,310
Castor oil.....	:	7,654	:	13,167	:	37,148
Coconut oil, unrefined.....	:	79,865	:	136,403	:	154,484
Cottonseed oil, unrefined.....	:	11,800	:	10,129	:	27,693
Linseed oil.....	:	42,184	:	250,275	:	103,734
Palm oil, unrefined.....	:	294,491	:	340,816	:	423,443
Soybean oil, unrefined.....	:	7,188	:	4,567	:	6,742
Sunflower-seed oil and safflower-seed oil...	:	2	:	40,584	:	80,593
Tung oil.....	:	17,111	:	19,510	:	28,587
Other vegetable oils, unrefined.....	:	9,003	:	26,634	:	58,191

a/ Preliminary. b/ There were 8.9 million pounds of butter re-exported in 1938, 5.1 million pounds in 1947 and 7.0 million pounds in 1948. c/ Includes some vitamin oils.

Accounts relating to Trade and Navigation of the United Kingdom, December 1948.

UNITED KINGDOM FATS
AND OILS EXPORTS

The following table shows exports of specified fats and oils from the United Kingdom, 1948 with comparisons:

UNITED KINGDOM: Exports of specified fats and oils,
1948 with comparisons

Commodity	1948	1947 a/	1947 a/
	: 1,000 pounds	: 1,000 pounds	: 1,000 pounds
Margarine.....	5,296	13,579	15,727
Animal oils, including fish oils, refined.....	9,477	2,414	5,926
Vegetable oils other than essential, refined.....	28,498	6,951	11,707
Shortening, including lard compound and compound cooking fat.....	8,297	6,919	7,579
Animal fats and oils except marine... animal oils.....	53,341	1,667	2,598
Fish and marine animal oils, unrefined..	12,004	710	853
Peanut oil, unrefined.....	81,583	1,747	11,202
Other vegetable oils, n.e.s., unrefined.....	86,334	1,142	11,422
Soap.....	81,338	40,931	62,947

a/ Preliminary

Accounts relating to the Trade and Navigation of the United Kingdom,
December 1948.

CORRECTION

The forecast of world exports of whale oil for 1949 as given on page 142 of Foreign Crops and Markets, February 21, 1949, should read "340" instead of "440". This changes the total for marine oils to "430" and the grand total to "4,472".

NICARAGUAN SESAME
CROP REVISED UPWARD

Nicaragua's 1948-49 sesame crop has been revised upward to over 17,700 short tons compared with an earlier estimate of 12,700 and the 1947-48 record harvest of 12,000 tons. From this season's output approximately 7,600 tons were still unsold as of the 20th of February. Sesame quotations dropped sharply from a high level of about \$13.00 per quintal (\$256 per short ton) at the opening of the season to \$7.00 (\$138) in the latter part of the past month.

MALAYAN PALM OIL AND PALM KERNEL PRODUCTION IN 1948 GREATER THAN IN 1947

Palm oil production in the Federation of Malaya was 45,257 long tons in 1948. This was greater by 16 percent than the output in 1947.

The production of 4,762 long tons of oil in December was slightly less than the output of the previous month and 2 percent below that of December 1947.

Exports of palm oil in November from the Federation and Singapore totaled 5,705 long tons. Shipments for August, September and October were, respectively, 1,867, 4,594, and 3,164 long tons (revised). Cumulative shipments for the first 11 months in 1948 totaling 44,455 tons were 9 percent greater than exports for the corresponding period in 1947.

Malayan production of palm kernels in 1948 was 8,471 long tons. This was an increase of nearly 60 percent over production of the previous year.

December output of kernels at 873 tons was below that of November by about 4 percent. It was about one-seventh greater than the production in December 1947, however.

Palm kernel exports in November totaled 501 long tons or about 3 percent less than shipments in October. Cumulative exports for the first 11 months in 1948 were almost one-fifth greater than they were for the same period of the previous year.

FRUITS, VEGETABLES AND NUTS

SHIPMENTS OF VEGETABLES FROM MEXICO SMALLER

Fresh vegetables grown on the west coast of Mexico and shipped to the United States and Canada through the port of Nogales, Mexico, amounted to 5.1 million pounds during the period February 1-15, 1949. This compares with 18.7 million pounds shipped during the same period during 1948 and 25.8 million during 1947.

The smaller shipments are a result of freezes, heavy rains and floods. The market for Mexican tomatoes and peppers is at present unsatisfactory because of inferior grade of tomatoes shipped, and to the competition from Florida for both tomatoes and peppers. Besides the 5.1 million pounds exported during the first 2 weeks of February through Nogales, 250 cars were routed by way of Ciudad Juarez because of flood damage to railroads between Culiacan, and Nogales.

Airlift service of vegetables between Culiacan and Nogales has continued, and 150,072 pounds of tomatoes and 100,926 pounds of peppers were flown during the period, February 1-15, 1949. The movement of some ripened tomatoes grown in La Paz, Lower California, commenced on February 16th with the arrival at Nogales, Arizona of the first plane of tomatoes consisting of 380 lugs weighing 11,609 pounds. Shipments will probably be heavier from now on.

Movement of winter vegetables on the lines of the Ferrocarril Sud-Pacifico de Mexico resumed February 16th between Sinaloa and Nogales, and further shipments by way of the National Railway of Mexico, through Guadalajara to Ciudad Juarez, probably will be discontinued.

Shipments of fresh vegetables through the port of Nogales, season ended February 15,

Commodity	1947	1948	1949
	: 1,000 : pounds	: 1,000 : pounds	: 1,000 : pounds
Tomatoes.....	104,603	48,263	23,724
Peppers green.....	12,702	10,875	2,006
Peas, green.....	6,611	1,854	913
Mixed.....	960	105	36
Total	124,876	61,097	26,679

TOBACCO

CANADA'S LEAF EXPORTS DECLINE IN 1948

Canada's exports of leaf tobacco in 1948 totaled 15.9 million pounds, or about 35 percent less than the 24.5 million pounds exported in 1947. During the prewar period 1934-38 Canada exported an average of 10.6 million pounds of leaf tobacco annually. Although 1948 exports were considerably below those of 1947 they were still 21 percent above 1946 and 33 percent above the prewar 1934-38 annual average.

Of the total 1948 exports, 14.8 million pounds, or 93 percent was flue-cured tobacco, compared with 6.9 million pounds, or 65 percent in the prewar period 1934-38. During recent years exports of flue-cured tobacco have shown a marked increase, while exports of Burley, Dark, and other types have steadily declined.

CANADA: Exports of leaf tobacco, by types, 1948 with comparisons

Type of Leaf	Average 1934-38	1946	1947	1948
	: 1,000 pounds	: 1,000 pounds	: 1,000 pounds	: 1,000 pounds
Flue-cured	6,906	10,965	22,989	14,805
Burley.....	2,196	1,292	990	803
Dark.....	836	257	320	188
Other.....	668	77	194	82
Total.....	10,606	12,591	24,493	15,878

Compiled from official sources.

A total of 12.5 million pounds, or about 79 percent of 1948 exports were destined to the United Kingdom, compared with 22 million pounds or 90 percent in 1947. Practically all other exports in 1948 and 1947 were destined to the British West Indies and Newfoundland.

LIVESTOCK AND ANIMAL PRODUCTS

AUSTRALIAN OUTPUT AND EXPORT OF DAIRY PRODUCTS

Dairy production in Australia in 1948 showed a slight improvement over the 12 months' output of the preceding year. Butter production in 1948 was 4 percent above the year before, and represented the largest output since 1943. Cheese production showed a decline of approximately 3 percent in 1948, but total output of all manufactured dairy products was 4 percent above the earlier year.

Good rains in December and early January in the eastern states and South Australia have improved the dairying outlook in Australia considerably. They were of especial benefit in New South Wales and Queensland, where dry weather in October and November had caused a decrease in milk output and had impaired prospects. Conditions in the other states in those 2 months had been excellent, but the recent rains should ensure production being maintained at a good level throughout the next few months. Dairy cattle in most areas are reported healthy.

Exports for the first 9 months of 1948 (the latest figures available) show an overall increase in poundage of approximately 8 percent over the corresponding 9 months of 1947. Taken individually, butter exports were higher by 26 percent, but cheese and canned milk fell 15 and 52 percent, respectively, below those of a year earlier. Exports of dried whole milk were 66 percent higher.

The current output and exports of Australian butter are appreciably below wartime and prewar quantities, but are higher for cheese and the other manufactured products.

AUSTRALIA: Factory production and exports of dairy products, 1948
with comparisons

Period	Butter	Cheese	Condensed Milk		Powdered Milk		Infants' food b/
			Sweetened	Unsweetened	Concen-trated	Whole	
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Production							
1938 Average c/	415,250	48,422	d/ 36,771	d/ 2,088	e/ 7,035	d/ e/ 21,199	-
1939-43 Average c/	367,360	71,364	d/ 58,596	d/ 19,962	d/ 14,274	d/ 36,479	d/ 2,428
1946	318,508	96,797	e/ 98,917	-	d/ 15,772	d/ 34,720	d/ 7,109
1947	340,677	96,655	d/ 100,455	-	d/ 21,230	d/ 32,903	d/ 17,615
1948	354,834	93,417	d/ 103,293	-	d/ 30,070	d/ 38,839	d/ 20,122
Exports							
1938 Average c/	215,887	21,383	e/ 12,573	e/ 755	b/ e/ 3,577	-	d/ 2,201
1939-43 Average c/	164,114	35,538	d/ 35,050	d/ 8,121	d/ d/ 7,210	-	d/ 2,172
1946	150,097	45,030	d/ 64,381	d/ 6,513	d/ d/ 8,517	d/ 2,289	d/ 6,078
1947	154,797	56,750	d/ 67,299	d/ 7,447	d/ d/ 10,496	d/ 4,827	d/ 6,274
9 Months							
1947	94,761	40,700	d/ 40,873	d/ 6,641	d/ 6,220	d/ 3,131	d/ 4,248
1948	119,165	34,460	d/ 37,684	d/ 1,535	d/ 10,302	d/ 3,074	d/ 5,642

a/ Includes buttermilk. b/ Includes invalids' foods, malted milk and milk sugar. c/ Year beginning July 1. d/ For the years 1936/37-1938/39. e/ Includes powdered skim milk. f/ Includes condensed milk, unsweetened. g/ For 1938/39 only. h/ Included with condensed milk.

Office of Foreign Agricultural Relations. Compiled from official sources.

COTTON AND OTHER FIBER

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange:

COTTON: Spot prices in certain foreign markets, and the
U.S. gulf-port average

Market location, kind, and quality	Date 1949	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound
Alexandria		Kantar			
Ashmouni, Good.....	3-3	99.05 lbs.	Tallari	53.55	44.66
Ashmouni, F.G.F.....	"	"	"	51.55	43.01
Karnak, Good.....	"	"	"	88.50	73.84
Karnak, F.G.F.....	"	"	"		(not quoted)
Bombay		Candy			
Jarila, Fine.....	"	784 lbs.	Rupee	620.00	23.86
Broach, Fine.....	"	"	"	650.00	25.01
Kampala, East African.....	"	"	"		(not available)
Karachi		Maund			
4F Punjab, S.G., Fine....	3-2	82.28 lbs.	"	88.50	32.45
289F Sind, S.G., Fine....	"	"	"	96.00	35.20
289F Punjab, S.G., Fine...	"	"	"	99.50	36.48
Buenos Aires		Metric ton			
Type B.....	3-3	2204.6 lbs.	Peso	a/ 3350.00	45.24
Lima		Sp. quintal			
Tanguis, Type 5.....	3-1	101.4 lbs.	Sol		(not quoted)
Pima, Type 1.....	"	"	"		(not quoted)
Recife		Arroba			
Mata, Type 4.....	3-3	33.07 lbs.	Cruzeiro	215.00	35.37
Sertao, Type 5.....	"	"	"	220.00	36.20
Sao Paulo					
Sao Paulo, Type 5.....	"	"	"	213.00	35.04
Torreón		Sp. quintal			
Middling, 15/16".....	"	101.4 lbs.	Peso	192.00	27.05
Houston-Galveston-New					
Orleans av. Mid. 15/16"...	"	Pound	Cent	XXXX	32.43

Quotations of foreign markets reported by cable from American foreign service posts abroad. U.S. quotations from designated spot markets.

a/ Nominal.

UNITED KINGDOM COTTON CONSUMPTION ABOVE 1947-48

Cotton consumption in the United Kingdom for the first half of the current season (August through January) has been estimated at 995,000 bales (500 pounds gross weight) or about 7 percent higher than in the corresponding period of last year. However, consumption fell short of expectations as cotton yarn output failed to reach the official goal of 20 million pounds per week by the end of 1948. The goal rate would involve a consumption of about 43,000 bales of raw cotton per week. The average weekly rate in the peak month of December amounted to only 41,500 bales.

Shortages of labor continue to be the chief limiting factor in expansion of cotton textile production. During the summer months the increase in labor force no more than offset the loss caused by the elimination of overtime and the conversion to normal working hours. After the summer vacation periods, increased employment contributed to the increased yarn production in the fall and early winter. However, after the first of the year the recruitment of new workers lagged and the number recruited hardly exceeded those leaving the factories in January. As a result, cotton yarn production leveled off with very little increase since October 1948. With the difficulty in recruiting new workers, increased attention is being given modernization and re-deployment of operators so as to increase output per man-hour. Some benefits from this process have already been secured but widespread introduction will take some time.

Imports of raw cotton in the last quarter of 1948 increased and now equals consumption. For the first 5 months of the current season (beginning August 1) imports were 703,000 bales, of which 116,000 bales were from the United States. Imports of United States cotton were very small the first 3 months of the season. With the conclusion of the agreement between the United Kingdom Raw Cotton Commission and the Economic Cooperation Administration clearing the way for financing substantial quantities through ECA, imports from the United States have increased. Current reports indicate that the United Kingdom will take about 550,000 bales of United States cotton in the 1948-49 season as compared to only 292,000 bales in 1947-48.

Imports of cotton have been running below consumption and stocks have been diminishing for the past two seasons. Stocks reached a high point in April 1947 of 2,080,000 bales but steadily declined to 1,360,000 bales by August 1, 1948, and by November 1, 1948, had declined further to a low of 1,200,000 bales where they were maintained through December. At current rates of consumption these stocks amount to about 7 months' supply. In prewar years, the United Kingdom normally maintained stocks near 1,500,000 bales. However, at rates of consumption prevailing at that time this amounted to about 7 months' supply.

Exports of cotton piece-goods from the United Kingdom have increased substantially and for the calendar year 1948 were 43 percent greater than in 1947. Yarn exports have more than doubled in 1948 and cotton yarn and piece-goods are now about 55 percent of the prewar average.

The cotton yarn trade of the world is now largely in the hands of the United Kingdom and Italy. United Kingdom yarn exports at the end of 1948 had increased to a rate of 75 million pounds per year. This is slightly under Italy's exports but far ahead of Belgium and the United States the other two important yarn exporters, now exporting at an annual rate of 20 to 25 million pounds.

The demand for cotton textiles continues strong and apparently is in excess of production. Cotton piece-goods were exempt from export licensing control as of December 31, 1948. This means that all cotton textiles allocated for the overseas market can be exported without a license. Most cotton clothing and household goods are still subject to rationing.

TROPICAL PRODUCTS

1948 BRAZILIAN COFFEE PRICES STABLE

Coffee prices in Brazil remained remarkably stable during 1948 and at levels which were considered profitable, according to a report received from the American Embassy in Rio de Janeiro.

The difference during 1948 between the high and low spot prices in Santos for Santos 4 "soft" amounted to about 7 percent. An early high of Cr\$9.40, per kilogram (23.2 cents per pound) was reached in February. The price fell to Cr\$9.00 to 9.10 per kilogram (22.2 to 22.5 cents per pound) early in March and remained at approximately this level for the next 8 months, reaching a low for the year of Cr\$8.90 per kilogram (22.0 cents per pound) in August and September. In November the spot market price rose to Cr\$9.55 per kilogram (23.6 cents per pound) and remained within 1 cruzeiro of this level for the remainder of the year.

The most important factors influencing prices during 1948 were (a) an export demand in excess of new crop coffees, (b) liquidation of stocks held by the National Coffee Department, and (c) prospects for a 1949 harvest in Sao Paulo below the 1948 crop.

Total exports in 1948 which amounted to 17,492,000 bags of 60 kilograms net, was the second largest volume ever exported from Brazil and exceed 1947 exports of 14,830,000 bags. The dollar value of coffee exports in 1948 set an all-time record.

On February 4, 1949, Brazil's Minister of Finance announced that DNC stocks (estimated on December 6, 1948 at 2.9 million bags) had all been sold through various channels. The National Coffee Department sold a substantial quantity of coffee, estimated at 1.5 million bags during the first 8 months of 1948. It is possible, as was claimed by the trade, that these sales depressed prices in August. However, it was generally felt that disposal of DNC stocks would remove pricing uncertainty and many people felt that liquidation of the stocks would tend to strengthen prices. Since the accumulation of DNC stocks in the 1930's, their final disposition has caused concern among government circles in Brazil, producers and members of the coffee trade in general.

The rise in coffee prices during November was largely a reflection of the poor prospects for the 1948-49 harvest in Sao Paulo. During that month trade circles forecast a crop 25 to 30 percent smaller than the 1947-48 harvest. However, the first official estimate of the 1948-49 crop issued by the Sao Paulo Secretariat of Agriculture in December forecast a reduction of only 15 percent, or 9,394,000 bags as compared with an estimated production of 11,000,000 bags in 1947-48.

CACAO OUTLOOK IN VENEZUELA UNSATISFACTORY

Although the Venezuelan 1947-48 cacao crop was the best in years and 1948 exports were the largest since 1938, the American Embassy at Caracas reports that the outlook for cacao production in Venezuela is unsatisfactory. The government's virtual abandonment of its export subsidy on cacao in May 1948, and the decline in world prices, is expected to result in decreased production.

Production costs of cacao, as well as other crops, in Venezuela are high as a result of increased wages and scarcity of labor which has accompanied the large scale growth of the petroleum industry. Principally as a result of higher wages, the average cost of cacao production has nearly tripled since 1943 and it is expected that growers cannot continue to meet world competition at lower prices especially in the absence of a high export subsidy. Other circumstances adversely affecting production are a sharp decline in new planting of cacao in recent years and the spread of witches'-broom disease.

L A T E N E W S

(Continued from Page 179)

The third official estimate placed the 1948-49 cotton crop in the State of Sao Paulo, Brazil at 985,000 bales (of 500 pounds gross) compared with a second estimate (corrected) of 967,000 and a final estimate of 707,000 for 1947-48. Adding 80,000 bales for other South Brazil states and 355,000 for North Brazil, a preliminary estimate of 1,420,000 bales is calculated for all Brazil, compared with 1,223,000 in 1947-48.

Government-held stocks on January 31, 1949, amounted to only 3,300 bales compared with 22,900 bales a month earlier.

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The second official estimate places the area sown to cotton in the Indian Union (including Hyderabad State) in 1948-49 at 8,630,000 acres which is 1 percent less than the corresponding estimate for 1947-48. The second estimate usually represents about 80-85 percent of the final because each estimate is for cotton planted up to a specified date.

Acreage estimates are not available from trade sources for comparisons with government estimates.

